

EDA UPDATE

Economic Development Information Coalition

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Competing Globally - Growing Regional Economies - Creating Jobs

An EDA collaboration to disseminate innovative information to economic development practitioners

In this issue...

- U.S. Department of Commerce Rolls Out Manufacturing Report
- New EDA Report Published: "Technology Transfer and Commercialization: Their Role in Economic Development"
- EDIC Conducts Four More in Series of Nationwide Regional Economic Development Forums
- Regionalism: a Hot Topic in February 4 EDIC Telecast
- EDA Highlighted in New Book on Balanced Scorecard
- Mark Your Calendar for EDA's 2004 Conference
- EDA Excellence in Economic Development Awards 2004 and Winner Spotlight
- About the Economic Development Information Coalition



U.S. Commerce Secretary Don Evans Rolls Out Manufacturing in America: A Comprehensive Strategy to Address the Challenges to U.S. Manufacturers

America's manufacturers provide our nation and our people with good jobs, a better quality of life, and inventions that have established our national identity. Manufacturing is the backbone of our economy. Factory activity is at its highest level in 20 years and new orders are at the highest level since 1950.

To ensure the administration is doing everything possible to help American manufacturers, Secretary of Commerce Donald L. Evans ordered a comprehensive review of the American manufacturing sector in March 2003. This initiative included over 20 public roundtables to solicit input from American manufacturers, including representatives from nearly 200 companies in over 20 manufacturing industries. The Commerce Department's question was simple: How can government help manufacturers compete?

The recommendations in the report are designed to address the challenges to U.S. manufacturers highlighted over the course of the Commerce Department's roundtable discussions, and to ensure that

NADO

government does all it can to create conditions that enhance U.S. economic growth and manufacturing competitiveness.

The recommendations are divided into six sections:

- Enhancing government's focus on manufacturing competitiveness
- Creating the conditions for economic growth and manufacturing investment
- Lowering the cost of manufacturing in the United States
- Investing in innovation
- Strengthening education, retraining, and economic diversification
- Promoting open markets and a level playing field

Key recommendations include:

- Create an Assistant Secretary of Commerce for manufacturing and services
- Establish a President's Manufacturing Council to provide oversight and advice on the implementation of the President's manufacturing initiative
- Make recent tax cuts permanent to enable manufacturers to attract capital and invest for the future with confidence
- Reduce the cost of tax complexity and compliance
- Make permanent the Research and Experimentation tax credit
- Deepen the pool of investment capital available to manufacturers by introducing incentives for saving
- Lower the cost and improve the availability of healthcare
- Modernize the U.S. legal system to eliminate disincentives to invest in manufacturing
- Review federal R&D funding to encourage better coordination, and focus on innovation and productivity-enhancing technologies
- Coordinate economic adjustment for manufacturing communities
- Encourage economic growth, and open trade and capital markets abroad
- Negotiate trade agreements that benefit U.S. manufacturers
- Enforce trade agreements and combat unfair trade practices affecting U.S. manufacturers

These recommendations come from the premise that manufacturers and their actions in the marketplace will define their success, spur economic growth and create jobs. The government's role is not to interfere with that process, but rather to foster it. To view the report in its entirety, visit www.manufacturing.gov.

New EDA Report Published: "Technology Transfer and Commercialization: Their Role in Economic

Development"

The study was conducted to aid and inform economic development practitioners seeking to promote technology transfer and commercialization by helping them understand and realistically assess the potential for technology-based development in their respective areas. Data for all 318 U.S. metropolitan areas are studied and the report undertakes an extensive analysis of the literature, outlines models and options for regional technology transfer and commercialization programs and discusses ways in which existing development organizations can interact with such programs.

This study was conducted by Andrew Reamer in conjunction with Jan Youtie of Georgia Institute of Technology and Larry Isserman, and is available at www.eda.gov; click on "Research" near the top of the page, then follow the Research Reports link on the left side of the next screen.

EDIC Conducts Four More in Series of Nationwide Regional Economic Development Forums

EDIC held four regional economic development forums in January and February, in Elkins, West Virginia; Richland, Washington; Medford, Oregon; and Stockton, California. All four focused on a central theme - Competing Globally, Growing Regional Economies, Creating Jobs - and were well-attended by various sectors within each region, including business owners, local elected officials, academia, state and national economic development stakeholders, and congressional representatives.

Despite a snowstorm in West Virginia, almost 140 people attended the forum held at on the campus of Davis and Elkins College in Elkins on January 22. Mayor Judy Guye opened the forum, and Rep. Shelley Moore Capito (R-2nd) provided the address during lunch. Dr. David Sampson, Assistant Secretary of Commerce for Economic Development, and Appalachian Regional Commission Federal Co-Chair Anne Pope spoke to the group about prevailing economic conditions in the region and national trends that impact local economies. Themes addressed throughout the forum included the relationship between adequate infrastructure and economic growth; the need to build local leadership and develop a strong economy through diversity in businesses; the connection between innovation and competition; GIS and its benefits for economic development planning and program delivery; the global economy and the need for local economies to find their niche within the expanded marketplace; and the ability to avoid duplicative efforts through effective partnerships. After lunch, participants met with staff from EDA's Philadelphia Regional Office to discuss planning and the CEDS process, construction grants, and EDA programs in general.

More than 150 people attended the Richland, Washington Forum, held at Washington State University on February 9. Rob Welch, Mayor of the City of Richland, and EDA Chief of Staff Sandy Baruah welcomed attendees to the forum. Speakers included representatives from the Tri-City Industrial Development Council (TRIDEC), Washington State University, Pacific Northwest National Laboratory, Fluor Hanford, Inc., Confederated Tribes of the Umatilla Indian Reservation and Advanced Imaging Technologies. Participants addressed ways to create jobs and generate continued economic development in the Tri-City area through strategic partnerships among local industries, to compete more effectively globally; connecting people to research; and connecting investors in smaller areas. They also discussed the importance of community colleges working together to grow, train local residents, attract individuals to the area, and teach students how to be entrepreneurial; and the role of transportation issues in economic development. Representative Doc Hastings (R-4th) spoke during lunch, and staff from the EDA Seattle Regional Office conducted the afternoon training.

An audience of over 120 local, state and federal economic development professionals, local elected officials, citizens, business owners and other attendees from Oregon and northern California gathered at the Rogue Valley Manor for the elderly in Medford, Oregon, for the forum on February 11. Jackson County Commissioner Sue Kupillas and Assistant Secretary of Commerce for Economic Development David Sampson gave the opening remarks. John Snider from Congressman Greg Walden's office (R-2nd) spoke about the district's prevailing economic trends and their impact on local economies. Themes that emerged during panel discussions included the need to address regulations that limit business development; the importance of understanding the impact of infrastructure (such as transportation) on business development; and the importance of university partnerships. Panelists entrepreneurs - including Travis Boersma and Dave Morris from Dutch Bros. Coffee - offered insight about turning challenges into opportunities. A lunchtime presentation by Dr. John Sessions of the Oregon State University forestry department highlighted the economic impact of healthy forest management and an economic analysis of catastrophic fires.

Nearly 80 attendees listened to and participated in two panel discussions at the forum that took place on the campus of the University of the Pacific in Stockton, California on February 13. Dr. David Sampson opened the forum with a talk about current budget news and the importance of creating an environment that promotes and sustains economic growth. He was followed by Fran Peace of Congressman Wally Herger's office (R-2nd), who spoke to the audience about the second district's economic conditions and how they relate to the San Joaquin region. Themes developed in the panel discussions included continuing the growth of the valley's knowledge base; expanding the scope of technology transfers; continued diversification of business development; and providing an environment that engenders entrepreneurial start-ups. A lunchtime presentation from Stockton City Manager Mark Lewis provided insight

into the city's long-term economic strategies. Congressman Richard Pombo (R-11th) also addressed the crowd at lunch. As at each forum, after lunch, participants met with staff from their EDA Regional Office to discuss planning and the CEDS process, construction grants, and EDA programs in general.

The dates and locations of the next ten regional economic development forums will be announced in next month's issue of EDA Update.

Regionalism: a Hot Topic in February 4 EDIC Telecast

The February 4, 2004 national satellite telecast from Washington, DC, focused on regionalism - specifically, on maximizing effective partnerships for economic development in an era of scarce resources. Dr. David Sampson, Assistant Secretary of Commerce for Economic Development, opened the broadcast with a discussion of the role of cluster development in creating critical mass. Government has an active role in the process, including the following three responsibilities:

- Setting the context for the competition
- Enhancing the business environment
- Facilitating a higher level of regional comparison

Dr. Sampson emphasized the need to move from a zero-sum subsidy race - in which a region attracts a company from a neighboring region - to one of building regional assets. Long-term economic prosperity is based on innovation and increasing productivity, and a cluster approach links all elements of the supply chain to build a competitive-based economy.

Deborah Wince-Smith, President of the Council on Competitiveness, explained that an innovation-based cluster strategy should build on the traditional economic strengths of regions, and that the U.S. cannot compete on a low-wage strategy with China and India, or rely on natural resource markets. The U.S. must instead base its competitiveness agenda on high-value, knowledge-based activities.

Congresswoman Heather Wilson (R-NM) stated that the federal role in supporting technology transfer is to create conditions that will attract small businesses and create jobs. The best incentive government provides for economic development is to make academic resources available to assure American citizens are educated. An intelligent workforce translates into wealth in a 21st century global environment.

Former Michigan governor John Engler discussed successful initiatives during his tenure as the state's chief executive, including establishing the award-winning Michigan Economic Development Corporation (MEDC). MEDC has a unique governance structure as a multifaceted partnership that includes the public and private sectors, state and local

governments, and local communities. He provided several examples of how MEDC linked colleges and universities with businesses-for example, research partnerships were formed that helped develop products as diverse as a hydrogen-powered car and a new generation of medicines. Governor Engler considers government investments to be important incentives, and sees new technologies that are emerging in transportation-such as cargo identity and security-as opportunities for diversification with great potential for the State of Michigan.

Mayor Dennis Clough of the city of Westlake, Ohio, spoke about how the geographic boundaries of cities do not provide the resources necessary to effectively compete regionally, nationally, or globally. Collaboration and partnerships with other communities within the region, and with state and federal governments, are critical to small communities such as Westlake.

Paul S. Shirley, CEO of Qynergy Corporation based in Albuquerque, discussed his involvement in cluster development as chairman of Next Generation Economy (NextGen), a not-for-profit economic development company. NextGen performed a study to identify core competencies in central New Mexico, and as a result of the study, the business community has shifted its focus to marketing new technology that will bring new dollars to the region. Additional clusters were identified, including digital media. Revenues from film production have increased in one year from \$8 million to \$80 million.

Randall Kempner, Executive Director of the Center for Regional Innovation at the Council on Competitiveness, gave examples of innovative techniques to leverage resources through partnerships, specifically discussing the Philadelphia region, Northeast Ohio, and Riverside and San Bernadino counties in Southern California. He also encouraged urban and rural areas within a region to initiate collaborative ventures to encourage regional prosperity.

To purchase a copy of the February 4 telecast, send an email to Peggy Tadej at tadej@narc.org. The next telecast will be held on May 4, 2004, and will focus on *New Directions and Opportunities in Rural Economic Development*.

EDA Highlighted in New Book on Balanced Scorecard

Drs. David Norton and Robert Kaplan, the founders of the Balanced Scorecard Collaborative, the consulting firm EDA used to develop and implement our Balanced Scorecard, have published a new book, "Strategy Maps: Converting Intangible Assets into Tangible Outcomes," which features EDA. The book highlights over several pages the challenge EDA faced in 2001 and how the organization used the Balanced Scorecard to build a more results-oriented and performance-

driven organization.

Mark Your Calendar for EDA's 2004 Conference

EDA's 2004 Conference will be held at the Omni Shoreham Hotel in Washington, DC on June 8-10. Details will be coming in future editions of *Economic Development Update*.

EDA Excellence in Economic Development Awards 2004 and Winner Spotlight

EDA is proud to present the Excellence in Economic Development Awards 2004. The Awards 2004, highlighting best practices nationwide, will be presented during the EDA National Conference, to be held June 8-10, 2004, at the Omni Shoreham Hotel in Washington, DC.

Nominations for the Excellence in Economic Development Awards 2004 will be accepted in one of the following categories:

- Excellence in Urban or Suburban Economic Development
- Excellence in Rural Economic Development
- Excellence in Enhancing Regional Competitiveness
- Excellence in Economic Adjustment Strategies
- Excellence in Technology-led Economic Development
- Excellence in Community and Faith-Based Social Entrepreneurship
- Excellence in Innovation

If you are aware of projects with innovative economic development strategies, EDA invites you and your colleagues to submit nominations in one of the above categories. Award recipients will receive a commemorative award and will be invited to highlight their successful strategies at EDA's National Conference. The recipients' congressional delegations will be invited to present the Awards along with officials of the Department of Commerce.

Nomination forms and brochures are available on EDA's Web site, www.eda.gov. EDA must receive completed nominations by March 10, 2004.

EDA looks forward to receiving your nomination for the Excellence in Economic Development Awards. For further information or for printed copies of the Awards brochure, including the nomination form, please contact EDA's Office of Congressional Liaison at (202) 482-2309.

2003 Winner Spotlight

Center for Emerging Technologies, St. Louis, Missouri - The Center for Emerging Technologies (CET) is a not-for-profit organization established in 1996 and initially sponsored by the University of Missouri - St. Louis and the Missouri Department of Economic Development. The mission of CET is to be a catalyst positioning the St. Louis region as a global center for biomedical and other advanced technology companies, by facilitating the creation and development of technically innovative enterprises and stimulating the region's life science industry. CET operates a business incubator for start-up biomedical and other advanced companies. CET also operates a business accelerator facility and provides entrepreneur education and training to tenant companies. For more information, visit their Web site at www.emergingtech.org.

About the Economic Development Information Coalition

To provide information about economic development practices and programs, the Economic Development Administration (EDA) has put together the Economic Development Information Coalition (EDIC). EDIC is made up of the International Economic Development Council (IEDC), the National Association of Regional Councils (NARC), and the National Association of Development Organizations (NADO). They have joined EDA to disseminate information to economic development practitioners serving distressed communities through a monthly e-mail newsletter; quarterly telecasts; 20 community forums held throughout the country; and a quarterly magazine. For more information, visit the [EDIC home page](#) on EDA's Web site.



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